

STATEMENT OF PURPOSE

RS18346

The purpose of the Life Settlements Act is to provide protections to consumers who are interested in transferring their life insurance policies in exchange for compensation. The Life Settlements Act defines and prohibits Stranger Originated Life Insurance (STOLIs). The protections afforded consumers in the act include: licensing and examination of, and record keeping requirements for, Life Settlement Brokers and Life Settlement Providers; the requirement that contracts and disclosure statements be filed with the Director of the Department of Insurance; provisions related to reporting of information and the protection of privacy; limitations on when policies can be transferred during the first two years; required disclosures to consumers.

FISCAL NOTE

No fiscal impact.

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